

## **EXHIBIT 6**



Public Company Accounting Oversight Board

## AU Section 150

### *Generally Accepted Auditing Standards*

(.01)

- (.02 - .04) Auditing Standards
- (.05 - .06) Interpretive Publications
- (.07 - .08) Other Auditing Publications
- (.09) Effective Date

**(Supersedes SAS No. 1, section 150)**

**Source:** SAS No. 95; SAS No. 98.

**Effective for audits of financial statements for periods beginning on or after December 15, 2001, unless otherwise indicated.**

#### **.01**

An independent auditor plans, conducts, and reports the results of an audit in accordance with generally accepted auditing standards (GAAS). Auditing standards provide a measure of audit quality and the objectives to be achieved in an audit. Auditing procedures differ from auditing standards. Auditing procedures are acts that the auditor performs during the course of an audit to comply with auditing standards.

## **AUDITING STANDARDS**

#### **.02**

The general, field work, and reporting standards (the 10 standards) approved and adopted by the membership of the AICPA, as amended by the AICPA Auditing Standards Board (ASB), are as follows:

##### *General Standards*

1. The audit is to be performed by a person or persons having adequate technical training and proficiency as an auditor.
2. In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors.
3. **Due professional care is to be exercised in the performance of the audit and the preparation of the report.**

##### *Standards of Field Work*

1. The work is to be adequately planned and assistants, if any, are to be properly supervised.
2. A sufficient understanding of internal control is to be obtained to plan the audit and to determine the nature, timing, and extent of tests to be performed.
3. **Sufficient competent evidential matter is to be obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit.**

##### *Standards of Reporting*

1. The report shall state whether the financial statements are presented in accordance with generally accepted accounting principles (GAAP).

2. The report shall identify those circumstances in which such principles have not been consistently observed in the current period in relation to the preceding period.
3. Informative disclosures in the financial statements are to be regarded as reasonably adequate unless otherwise stated in the report.
4. The report shall contain either an expression of opinion regarding the financial statements, taken as a whole, or an assertion to the effect that an opinion cannot be expressed. When an overall opinion cannot be expressed, the reasons therefor should be stated. In all cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the character of the auditor's work, if any, and the degree of responsibility the auditor is taking.

#### **.03**

Rule 202, *Compliance With Standards*, of the AICPA Code of Professional Conduct [ET section 202.01], requires an AICPA member who performs an audit (the auditor) to comply with standards promulgated by the ASB. [fn 1](#) The ASB develops and issues standards in the form of Statements on Auditing Standards (SASs) through a due process that includes deliberation in meetings open to the public, public exposure of proposed SASs, and a formal vote. The SASs are codified within the framework of the 10 standards.

#### **.04**

The auditor should have sufficient knowledge of the SASs to identify those that are applicable to his or her audit. The nature of the 10 standards and the SASs requires the auditor to exercise professional judgment in applying them. Materiality and audit risk also underlie the application of the 10 standards and the SASs, particularly those related to field work and reporting. [fn 2](#) The auditor should be prepared to justify departures from the SASs.

### **INTERPRETIVE PUBLICATIONS**

#### **.05**

Interpretive publications consist of auditing Interpretations of the SASs, appendixes to the SASs, [fn 3](#) auditing guidance included in AICPA Audit and Accounting Guides, and AICPA auditing Statements of Position. [fn 4](#) Interpretive publications are not auditing standards. Interpretive publications are recommendations on the application of the SASs in specific circumstances, including engagements for entities in specialized industries. An interpretive publication is issued under the authority of the ASB after all ASB members have been provided an opportunity to consider and comment on whether the proposed interpretive publication is consistent with the SASs. [As amended, effective September 2002, by Statement on Auditing Standards No. 98.]

#### **.06**

The auditor should be aware of and consider interpretive publications applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable interpretive publication, the auditor should be prepared to explain how he or she complied with the SAS provisions addressed by such auditing guidance.

### **OTHER AUDITING PUBLICATIONS**

#### **.07**

Other auditing publications include AICPA auditing publications not referred to above; auditing articles in the Journal of Accountancy and other professional journals; auditing articles in the AICPA CPA Letter; continuing professional education programs and other instruction materials, textbooks, guide books, audit programs, and checklists; and other auditing publications from state CPA societies, other organizations, and individuals. [fn 5](#) Other auditing publications have no authoritative status; however, they may help the auditor understand and apply the SASs.

#### **.08**

If an auditor applies the auditing guidance included in an other auditing publication, he or she should be satisfied that, in his or her judgment, it is both relevant to the circumstances of the audit, and appropriate. In determining whether an other auditing publication is appropriate, the auditor may wish to consider the degree to which the publication is recognized as being helpful in understanding and applying the SASs and the degree to which the issuer or author is recognized as an authority in auditing matters. Other auditing publications published by the AICPA that have been

reviewed by the AICPA Audit and Attest Standards staff are presumed to be appropriate. **fn 6**

## **EFFECTIVE DATE**

### **.09**

This section is effective for audits of financial statements for periods beginning on or after December 15, 2001.

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#### **Footnotes (AU Section 150 — Generally Accepted Auditing Standards):**

**fn 1**In certain engagements, the auditor also may be subject to other auditing requirements, such as Government Auditing Standards issued by the comptroller general of the United States, or rules and regulations promulgated by the U.S. Securities and Exchange Commission.

**fn 2**See section 312, *Audit Risk and Materiality in Conducting an Audit*.

**fn 3**Appendices to SASs referred to in paragraph .05 of this section do not include previously issued appendixes to original pronouncements that when adopted modified other SASs. [Footnote added, effective September 2002, by Statement on Auditing Standards No. 98.]

**fn 4**Auditing Interpretations of the SASs are included in the codified version of the SASs and are cross-referenced from the related AU sections in Appendix C. AICPA Audit and Accounting Guides and auditing Statements of Position are listed in Appendix D. [Footnote renumbered by the issuance of Statement on Auditing Standards No. 98, September 2002.]

**fn 5**The auditor is not expected to be aware of the full body of other auditing publications. [Footnote renumbered by the issuance of Statement on Auditing Standards No. 98, September 2002.]

**fn 6**Other auditing publications published by the AICPA that have been reviewed by the AICPA Audit and Attest Standards staff are listed in AU Appendix F. [Footnote renumbered by the issuance of Statement on Auditing Standards No. 98, September 2002.]

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